
Fear of longevity: A victim of COVID-19?

By Editorial Staff Thu, Feb 18, 2021

The percentage of consumers surveyed who rated lifetime income as highly valuable fell to 63% from 71% between February and August 2020, according to a recent CANNEX-Greenwald Research survey.

Perhaps the coronavirus pandemic heightened Americans' sense of mortality, and dulled their expectations of longevity.

No one knows why, but the perceived value of having guaranteed lifetime income (in addition to Social Security) declined between February and August, as the coronavirus pandemic spread throughout the United States and elsewhere around the globe, according to a new whitepaper.

Sponsored by CANNEX and based on the latest Guaranteed Lifetime Income Survey by Greenwald Research, 46% of US consumers feel less financially secure and 22% feel less comfortable with risk as the result of the pandemic.

But the percentage of consumers surveyed who rated lifetime income as highly valuable (6 or 7 on a scale of 7) fell to 63% from 71% between February and August 2020. "This also represents the lowest point this statistic has been in the last three years," the report said.

"In addition, fewer consumers agreed with the idea that 'it is especially important for people over 50 to have a strategy to protect their portfolio against significant investment loss,'" the whitepaper said. In February, 84% agreed with this; in August only 76% agreed. There was 84% agreement with that statement in 2019, 91% in 2018, and 81% in 2016/17.

The GLIS is conducted by Greenwald Research and CANNEX. The annual surveys were fielded in February 2020, days before the market fell dramatically in response to the global COVID-19 crisis. To examine the effects of the pandemic, the researchers conducted an additional mid-year update of both surveys between July 30 and August 13, 2020.

This included a survey of 1,000 Americans between the ages of 55 and 75 with at least \$100,000 in investable assets, and a survey of 200 financial professionals with at least \$15 million in assets under management.

The GLIS also tested the opinions of financial advisers. Between February and August, the percentage of financial professionals who reported themselves "highly confident in their

knowledge of lifetime income products” feel to 59% from 71%. In 2019, 73% reported themselves as highly knowledgeable. self-reported confidence in their knowledge of GLI products decreased dramatically from 71% highly knowledgeable to 59%. The year before (2019), 73% felt highly knowledgeable.

Only 35% of financial professionals felt highly knowledgeable about the CARES Act, which was signed into law at the end of March, long before the August study. Furthermore, the CARES Act contains retirement-related measures that could be important for many clients.

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